

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0082-01
Bill No.: HB 88
Subject: Health Care; Health Care Professionals; Insurance - Medical; Physicians
Type: Revised#
Date: March 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
All Funds	(Unknown)	(Unknown)	(Unknown)
Insurance Dedicated	\$1,450	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services**, the **Department of Transportation**, and the **Department of Conservation** assume this proposal would not fiscally impact their agency.

Department of Insurance (INS) officials state that HMOs would be required to amend policy forms in order to comply with this proposal. INS states that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals.

INS states there are 29 HMOs would be required to file amendments to their policy form to comply with this proposal resulting in revenue of \$1,450. If multiple proposals pass during the legislative session which require policy form amendments to be filed, the insurers would probably file one amendment for all required mandates.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state this proposal would allow members to directly access participating obstetricians or gynecologists without a referral from a primary care physician (PCP). HCP states the more "open" the access to providers, the higher the premium associated with the product. As evident in the HCP plans, the open access plans are considerably more costly than those requiring a PCP referral to a specialist. In some cases there could be a cost savings by not duplicating services. However, other members may inappropriately access OB/GYN providers, thereby increasing costs. One cannot predict how many would directly access these providers or for what services. HCP states this proposal has an unknown fiscal impact.

Department of Public Safety - Missouri State Highway Patrol (MHP) officials did not respond to our fiscal impact request. However, in responding to a similar proposal last session MHP assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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ALL FUNDS

Cost - All Funds

Increase in state contributions	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON ALL FUNDS

<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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INSURANCE DEDICATED FUND

Income - Department of Insurance

Form filing fees	<u>\$1,450</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND

<u>\$1,450</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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LOCAL POLITICAL SUBDIVISIONS

Cost - Local Political Subdivisions

Increased contributions	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS

<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would prohibit health carriers from requiring a covered person to obtain a referral from a primary care physician before seeking the services of a participating obstetrician or

gynecologist. Services would be limited to those defined by the published recommendations of DESCRIPTION (continued)

the accreditation council for graduate medical education for training an obstetrician or gynecologist. Health carriers may not charge additional fees for a covered person's direct access to a participating obstetrician or gynecologist unless those fees are charged for other types of health care services within the carrier's network of providers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Social Services
Missouri Consolidated Health Care Plan
Department of Insurance
Department of Conservation

NOT RESPONDING: Department of Public Safety - Missouri State Highway Patrol



Jeanne Jarrett, CPA
Director

March 5, 2001